



**WRITTEN TESTIMONY OF ROBB EWOLDT
FARMER AND DISTRICT 6 DIRECTOR
IOWA SOYBEAN ASSOCIATION**

**BEFORE THE
UNITED STATES HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON LIVESTOCK AND
FOREIGN AGRICULTURE**

**HEARING ENTITLED
“U.S. AGRICULTURAL TRADE: STAKEHOLDER
PERSPECTIVES”**

TUESDAY, MARCH 10, 2020 AT 10:00AM

Mr. Chairman, Ranking Member Rouzer, and Members of the Subcommittee, my name is Robb Ewoldt and I farm near Davenport in eastern Iowa. I serve as District 6 Director of the Iowa Soybean Association and was elected last fall to the ISA Executive Committee, serving as Secretary. I'm also active in the Scott County Cattlemen's Association, Scott County Farm Bureau and my local church.

Farming is my life. I grew up caring for the land and tending livestock hand-in-hand with my parents. Today, my sons Isaac and Alex continue the family's legacy by farming at my side. Together with my wife Jennifer, our family farm includes soybean, corn and alfalfa production, raising pigs and managing a small cow-calf herd. We're also dedicated advocates for rural living and farming. We frequently connect with reporters to talk about what we do as farmers and host an annual Ag Celebration on our farm so people can experience farm life up close and personal.

Thank you for inviting me to share my perspective on agricultural trade and the impacts of today's global trade – or lack thereof – on America's family farms.

When you grow up on a farm, you gain an understanding of the things you can control and, ironically, an appreciation for what you can't control. As a farmer, you know tough times come with the territory. Farming is not for the faint of heart and farmers volunteer for the profession, knowing there are no guarantees. Uncertainty is a way of life. The weather, cost of inputs, Mississippi River levels and volatile market prices are just a few of the variables.

We do everything we can to minimize these uncertainties by planning ahead, investing in technology, utilizing up-to-date marketing tools and mitigating our risk. But even these steps fall short when government actions here at home and half-a-world-away pull the rug out from under your feet.

Trade is a critical issue for soybean farmers. We're very good at growing soybeans. But as of late, not so successful at finding a market for them. Traditionally, soybeans and soy products are America's leading agricultural export valued at more than \$25 billion in 2018. More than 60 percent of the United States' soy crop is exported.

But these numbers are now dated.

Think about significant events that have occurred in your life? I'm sure you can recall the exact time and place you were when they happened. Same is true for me. My life-changing moment took place at 3 A.M. when China announced retaliatory tariffs on U.S. soybean imports. There I was, in the pitch black, watching overnight trades on my computer and seeing soybean prices freefall. It didn't take long before the price of every bushel of soybeans that I planted had plummeted \$2.00 – a loss of nearly one-fifth their value pre-trade war.

Looking back, I can remember thinking, optimistically, that the trade war and economic pain inflicted on farmers like me would be short-lived. I wanted to believe the market was just experiencing a knee-jerk reaction and things would rebound quickly. After all, folks in Washington, D.C. were saying the tariffs were simply being used to reach a negotiated solution. But as members of this committee know all too well, two years have passed, tariffs remain in place and real solutions benefiting America's farmers remain elusive.

Farmers are optimistic at heart. But the ongoing trade war with China has made it difficult to remain positive and even tougher to stay profitable.

I don't own farmland. Instead, I pay cash rent on the land I need for growing crops. Being a renter instead of an owner has hit me especially hard economically because I lack the equity that owning farm ground offers. In 2018, I lost nearly \$100,000 because of the trade war and other uncertainties. The losses continued in 2019, as did the trade war. Even with the announcement of the Phase One Agreement between the U.S. and China, soybean prices remain below the cost of production. Chances to turn a profit this year on what I produce remain slim to none.

Depressed commodity prices and the sustained economic pain have forever changed my life. I'm not alone. Many farmers would share a similar story if they were providing testimony to you today.

Since the start of the trade war, I've restructured loans and liquidated equipment to remain economically viable. Still, it's a 50/50 proposition as to whether I'll receive an operating loan this year. I've also taken a second job as a truck driver. That's right. I farm during the day and then take to the road several nights a week to drive a short-haul semi-truck to the Twin Cities, Chicago or Milwaukee. I figure, if I'm going to be awake at night worried about how to pay down debt, I might as well be doing something to actually pay down debt.

Even with the trucking job and my wife's off-farm employment, the Ewoldt Family Farm's future is in doubt. We are burdened by large supplies of soybeans, corn and pork, and very few opportunities to turn a profit thanks to trade concerns. We don't know how much longer we can continue farming.

But farmers aren't the only ones feeling the pain and having to manage difficult times. The economic tsunami sends shockwaves throughout communities large and small. Davenport is home to a major John Deere manufacturing facility. Even this Fortune 100 company isn't immune to the impacts of the trade war. Last year, their CEO made it very clear that farmers are postponing equipment purchases. Slower sales are weighing on their bottom line and placing many in my community on edge. Friends living in urban communities are concerned as they watch farmers struggle. Agriculture is a way of life and the core of Iowa's identity. But the continued economic malaise caused by a lack of U.S. agricultural trade is taking its toll.

Sadly, the future is filled with unknowns. While we're encouraged by trade developments as of late, they are not impacting the markets to the positive. Without the Market Facilitation Program (MFP) payments, I would not be farming today. These program payments, though, aren't a long-term solution. They can distort planting intentions and market prices. I would much rather have the long-term certainty that comes with reliable markets than government intervention.

Passage of USMCA and initial trade agreements with Japan and China offer glimmers of hope. But hope doesn't pay the bills. Even without the increasing Coronavirus concerns, it was hard to see China buying soybeans that they don't need thanks to record South American production.

Selling what we produce is essential for America's farmers and our nation's economy and prosperity. The Iowa Soybean Association continues to work with state and national counterparts to grow new markets and uses. This includes a just-completed trade mission to Pakistan and Bangladesh. Soy-based polymers are revolutionizing more eco-friendly asphalt and offers market potential for the oilseed. So, too, does continued growth in domestic livestock, poultry and dairy production.

But work remains.

I encourage you and the Administration to:

- Monitor and implement the China Phase-One Agreement and work towards the removal of all retaliatory tariffs;
- Ensure final ratification of the USMCA by all three countries;
- Implement the initial U.S.-Japan Agreement that went into effect January 1, 2020;
- Assure positive outcomes to bilateral trade negotiations with the EU and the UK; and
- Encourage the Administration to initiate free trade negotiations with other significant soy and livestock-importing countries like India, Indonesia and the Philippines.

As you continue your work on these important matters, I'll remain an advocate for agricultural trade. Given 95 percent of the world's population lives outside the United States, selling what we grow to the countries and people who need it is critically important. Let's stay focused on developing relationships and trade agreements so America's farms and the communities and businesses we support can grow and thrive. Doing so will ensure that my sons have the same opportunity to farm as I did, should they wish to do so. Thank you for giving me this opportunity and I welcome your questions.